

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

STAFFORDSVILLE SANITARY SYSTEMS, INC.)	
)	
_____)	CASE NO. 94-036
)	
ALLEGED VIOLATION OF COMMISSION)	
REGULATION 807 KAR 5:071)	

O R D E R

On February 3, 1994, the Commission ordered Staffordsville Sanitary Systems, Inc. ("Staffordsville") to show cause why it should not be subject to civil penalty for alleged violations of Commission Regulation 807 KAR 5:071 involving sewage treatment facilities which it owns and operates in Johnson County, Kentucky.

By the same Order, the Commission also directed James T. Franklin, Staffordsville's president, to show cause why he should not be subject to civil penalty for his alleged failure to comply with an earlier Order of the Commission¹ and for allegedly aiding and abetting Staffordsville's violation of Commission regulations.

At the hearing held in this matter on May 5, 1994, James T. Franklin testified that Staffordsville had ceased operating its sewage treatment facilities as of June 1993.² He further testified that neither he nor any other representative of Staffordsville had visited the sewage treatment facilities, collected any revenues

¹ Case No. 92-564, Charles L. Patton v. Staffordsville Sanitary Systems, Inc. (Aug. 18, 1993).

² Transcript of Evidence at 51.

from its customers, or directed any of the facilities' operations.³ Finally, Franklin testified that Citizens National Bank of Paintsville and Cross Creek Homeowners Association, Inc. had assumed control and responsibility for operating the facilities.⁴

Based on the evidence adduced at the May 5, 1994 hearing, the Commission finds that further proceedings are necessary to determine the present status of Staffordsville's sewage treatment facilities. The Commission must determine whether control of these facilities has been transferred to or acquired by some other party. If no such transfer or acquisition of control and ownership has occurred, the Commission must then determine whether the utility has been abandoned and the appointment of a receiver is needed.

IT IS THEREFORE ORDERED that:

1. A hearing in this matter shall be held on November 9, 1994, at 9:30 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of determining whether control and ownership of the sewage treatment facilities presently serving the Cross Creek Subdivision of Johnson County, Kentucky, have been transferred or acquired from Staffordsville, and whether, if no such transfer or acquisition has occurred, Staffordsville has abandoned its utility facilities and the appointment of a receiver to operate them is needed.

³ Id. at 73.

⁴ Id. at 61.


2. Citizens National Bank of Paintsville, Inc., and Cross Creek Homeowners Association, Inc. are made parties to this proceeding and shall appear at the scheduled hearing to present evidence on the ownership, operation and control of the sewage treatment facilities serving the Cross Creek Subdivision.

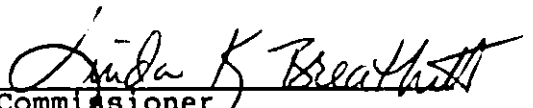
3. Staffordsville and James T. Franklin shall appear at the scheduled hearing to present evidence on the ownership, operation and control of the sewage treatment facilities serving the Cross Creek Subdivision.

Done at Frankfort, Kentucky, this 30th day of August, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director